

## DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



September 4, 1987

ALL-COUNTY LETTER NO. 87-119

TO: ALL COUNTY WELFARE DIRECTORS  
 ALL COUNTY FISCAL OFFICERS  
 ALL COUNTY AUDITORS  
 ALL COUNTY ADMINISTRATIVE OFFICERS

SUBJECT: COUNTY WELFARE ADMINISTRATIVE EXPENSE CLAIM

This is to provide claiming instructions for the July - September 1987 quarter. Included are instructions on electronic data processing (EDP), Greater Avenues for Independence (GAIN), equipment purchases by and advances to contractors, equipment purchases by the county welfare department (CWD), In-Home Supportive Services (IHSS), Public Assistance Food Stamps (PAFS), and Child Welfare Services (CWS). The following forms are to be used for the July - September 1987 quarter claim. New and revised forms will be forwarded to the counties separately.

<u>Form</u>	<u>Revision Date</u>	<u>Form</u>	<u>Revision Date</u>
DFA 325.1	11/86	DFA 327.7A	4/87
DFA 325.1A	11/86	DFA 327.7B	2/87
DFA 325.1AA	2/87	DFA 327.7C	4/87
DFA 325.1B	9/85	DFA 327.8A	8/87*
DFA 327.1A	4/87	DFA 327.8B	2/87
DFA 327.1B	2/87	DFA 327.8C	8/87*
DFA 327.1C	2/87	DFA 327.9	8/87*
DFA 327.1D	4/87	DFA 327.10A	4/87
DFA 327.2A	8/87*	DFA 327.10B	2/87
DFA 327.2B	8/87*	DFA 327.10C	8/87*
DFA 327.2C	8/87*	DFA 43	5/87
DFA 327.2D	8/87*	DFA 46	7/87*
DFA 327.2F	8/87*	DFA 48	7/86
DFA 327.3A	4/87	DFA 48A	7/86
DFA 327.3B	2/87	DFA 50	7/86
DFA 327.3C	4/87	DFA 52	5/87
DFA 327.4A	4/87	DFA 856	4/82
DFA 327.4B	2/87	DFA 47	7/86
DFA 327.4C	2/87	DFA 53	1/87
DFA 327.4D	8/87*	DFA 323	4/87
DFA 327.5	4/87	DFA 403	11/86
DFA 327.6B	8/87*	DFA 419	8/86
DFA 327.6D	7/87*		

\*Indicates new or revised this quarter.

EDP

The following changes have been made on forms DFA 327.2 A, B, C, D and F:

- o The Statewide Automated Welfare System (SAWS) EDP distribution page, DFA 327.11B, has been renumbered DFA 327.2F. The column headings on this page remain the same and costs totaled in Column DA continue to be carried through the claim as before.
- o The allocation method has been revised on the DFA 327.2 A, B, C and F for both EDP maintenance and operations (M&O) and development costs. Formerly, these costs were distributed using a ratio based on the casework costs (from the DFA 327.1 A, B, or C, Column I) for each program benefiting from EDP to the total casework costs of all programs within each function benefiting from EDP.

Beginning with the September 1987 quarter, the ratio (used in Columns M, P, S, V, Y and AB for the DFA 327.2A, B, C and Columns CJ, CM, CP, CS, CV and CY for the DFA 327.2F) will be developed using the casework hours from the DFA 327.1A, B, or C, Column E, for each of the programs benefiting from EDP. This minor change increases the accuracy in the distribution of EDP costs.

- o The EDP distribution page for Employment Services, DFA 327.2D, has been revised to reflect a new basis for distributing costs. In order to accommodate the distribution of EDP costs for GAIN, a count of active cases on the EDP system each quarter will be required for each benefiting GAIN component, as well as for other Employment Services programs. For M&O and development that benefits multiple programs, this casecount will be used to develop the EDP distribution ratios used in Columns M, P, S, V, Y and AB for the Employment Services function only. The casecount for each GAIN component is obtained from the GAIN 25 and the casecounts for other Employment Services Programs are based upon a count of cases active on the EDP system. Both casecounts are entered on the DFA 327.6D, Column DE. For development that benefits a single program, costs will continue to be directly identified to that program.

Employment Services - GAIN

The administrative expense claim has been revised to capture the nonfederal administrative costs of state-only Aid to Families with Dependent Children (AFDC) participants in the GAIN Program. The DFA 327.6D has been developed to identify the nonfederal costs

based on a federal/nonfederal persons count modification. The GAIN 25 form is the source document for the quarterly persons count. No data is to be entered on lines 112 - 118; these lines will be blocked out in the October - December 1987 claim form.

Costs of supportive services which are provided to state-only AFDC participants must be reported by component as a direct cost on the DFA 325.1B and must be identified as state-only. For example, child care for the Job Club component or costs of direct service contracts ( e.g., assessment, Job Club, vocational training) must be reported separately for federal and for state-only participants. If contractor invoices do not itemize the federal and state-only costs, it is the responsibility of the CWD to identify the federal and state-only costs of each contract, based upon the status of participants which were included in the billing.

The separately identified direct costs are then carried forward to the DFA 327.4D and reported in Columns AO - AQ (nonfederal) and Columns AS - AU (federal). The nonfederal costs in DFA 327.6D, Column DH, plus the direct costs in DFA 327.4D, Column AR, are carried forward to DFA 327.8C, Column BV, and to DFA 327.10C, Column CG.

Column BP on the DFA 327.8C represents all costs for the GAIN components, both federal and nonfederal. Costs which are eligible for federal reimbursement, determined at the state level, are reported on the DFA 327.8C in Column BR. Costs which are not eligible for federal reimbursement are separately identified in Column BV.

#### Contracts

The following claiming policy for equipment and for advances applies to CWD contracts for all programs.

##### o Equipment Purchases

The treatment of equipment, purchased by agencies contracting with the CWD, is governed by 45 Code of Federal Regulations 95.705. Contractors must depreciate the cost of equipment over the useful life of the equipment, if that equipment has a useful life of more than two years and an acquisition cost of \$500 or more. This policy applies to contractors purchasing equipment under all types of contracts with the CWD.

##### o Advances to Contractors

Advances made to contractors become a claimable cost on the Administrative Expense Claim only when the contracted services have been billed and paid by the CWD. Even though advances by

the CWD do constitute a cash outlay, they do not represent an expenditure as recorded in the accounting records maintained by the county auditor-controller's office. Since such advances are not a recorded expenditure under governmental accounting principles, they do not represent a "cost" allowable for claiming for federal and state reimbursement. Only those costs which represent a cash payment by a county for services rendered and actually billed by a contractor are allowable for reimbursement. In order to minimize cash flow problems, advances to contractors during a quarter should, to the extent possible, be limited to the amount expected to be billed by the contractor during the same quarter.

#### Non-Expendable Personal Property (Equipment)

Property purchased by the CWD with a unit acquisition cost of \$1,000 or more must be inventory controlled in case the item is either transferred or sold before its useful life has expired. When a piece of equipment having a useful life is transferred or sold, the greater of either the remaining value or the sales revenue must be abated on the applicable administrative expense claim. Equipment with a unit acquisition cost of less than \$1,000 may be retained or disposed of with no further obligation to the state or Federal Government.

This policy revision supercedes ACL 79-65.

#### IHSS Maximum Monthly Payments

The DFA 327.8A has been revised to denote the maximum monthly payments allowable effective July 1, 1987. For severely impaired and for nonseverely impaired individuals, the respective maximums are \$1,051 and \$726 per month. The restaurant meal allowance is increased to \$60 for each individual.

#### PAFS

The DFA 327.9 has been revised to specify the current rate for determining time spent on PAFS activities. Effective July 1, 1987, the federally approved rate is 23.41 percent. This rate will remain in effect until federal approval of the results of the next study, scheduled for March 1988.

#### CWS - Direct Costs

This is a reminder to provide detail regarding CWS - Direct Costs, reported on the Direct Costs Detail Schedule (DFA 325.1B), as follows:

- o In Column 1, Program Identification, identify the program as either "CWS - Non Title IV-E" or "CWS - Title IV-E." The CWS - Title IV-E program has only one allowable direct cost, travel and per diem costs related to short term training of foster parents. All other direct CWS costs are to be reported on the line identified as "CWS - Non Title IV-E."
- o In Column 2, enter the code which indicates the specific program. The codes are found in the upper right corner of the DFA 325.1B.
- o In Column 3, describe the activity for which expenses were incurred, e.g., counseling, transportation, out-of-home respite care. A general description, such as "service-funded activity", "mandated activity", or "service-connected expense", is not acceptable.

All administrative expenditures incurred by CWDs must be reported on the administrative expense claim regardless of funding source. This is true for costs incurred for county funded programs as well as for programs which are either partially or totally funded by federal and/or state monies. In particular, all costs associated with county operated emergency shelter facilities must be reported. This includes the county-only costs due to child days exceeding the 15/30 day limitation contained in SDSS Regulation Sections 30-158.2 and .3.

There are no other claim changes for the July - September 1987 quarter. If you have any questions or need additional information, contact the Fiscal Policy and procedures Bureau at (916) 445-7046.



ROBERT L. GARCIA  
Deputy Director  
Administration

cc: CWDA